

Community Services Rate Reimbursement Commission
Maryland Association of Community Services, Columbia, Maryland
April 24, 2012

MINUTES

Present: Commissioners – Jillian Aldebron (chair), Patsy Baker Blackshear, Kia Brown, Rebecca L.M. Fuller, Jeffrey Richardson, Thomas Sizemore, and Timothy Wiens (vice-chair). Consultants – Charles Betley, Jamie John, Michael Nolin

Proceedings

The meeting was called to order at 6:05 p.m. The minutes of the February 15, 2012 meeting were approved, along with a modified agenda. The two new commissioners, Patsy Baker Blackshear and Rebecca L.M. Fuller, were introduced. With these last two appointments, the CSRRC now has its full complement of commissioners.

Overview of Major Deliverables and Data for Analysis

The CSRRC's four major deliverables under the statute and related existing data sources were reviewed for purposes of clarifying further discussion and analysis. These are as follows:

- ***Weighted average cost structure*** of developmental disability and mental health providers. Data sources: financial statements, Form 990s, DDA cost reports.
- ***Financial condition of providers***. Data sources: financial statements, Form 990s.
- ***Wages paid to direct care workers and trends***. Data sources: DDA and MHA wage surveys, CBH surveys (for MH providers).
- ***Relative performance measure of DDA providers***. Data sources: DDA cost reports.

In the past, the CSRRC was charged with proposing rate adjustments to DHMH, and while DHMH was not obliged to accept these proposals, it was required to justify its reasons for non-acceptance, if that were the case. The statute reauthorizing the CSRRC for the period October 2011-September 2016 (as adopted during the 2011 General Assembly), however, removed this provision and instead substituted a requirement that the CSRRC determine the weighted average cost structure of providers on which DHMH would have to base its annual rate adjustment.

Developmental Disabilities TAG

The report of the DD TAG meeting held on March 5, 2012 was presented and discussed. Commissioners examined charts displaying the trend in mean wages of developmental disability direct support workers. The Commission asked The Hilltop Institute to collect data from 2009 and 2010 of comparable state workers because the purpose of reviewing wage data is to ensure that community-based direct support workers are earning comparable salaries to those in the public sector. Commissioners discussed the raw data and data anomalies, and Hilltop agreed to look for patterns in the data to exclude outliers. Hilltop will implement a formula for FY 2011 that improves the validity of analysis by reducing data flaws.

Discussion ensued regarding fringe benefit changes and the implications for worker compensation—in particular, burden shifting of health insurance costs from employers to employees. Providers are also increasingly opting for high-deductible health plans as a way of limiting premium increases; this, however, results in some percentage of workers forgoing access to health care because they cannot afford

the out-of-pocket costs. On the other hand, it was noted that salaries for direct care workers are low enough to make single parents eligible for Medical Assistance. Laura Howell (MACS) agreed to conduct an informal survey of community-based developmental disability providers to get an idea of the types of health plans offered to workers and their cost-sharing requirements. The Commission agreed that it is important to incorporate fringe benefit changes and cost sharing in the analysis of wage data for the annual report.

DDA provider margins as presented by Hilltop were reviewed, and the Commission requested a comparison of this data with that from freestanding health clinics and hospitals in order to determine a reasonable expectation of financial health. Hilltop agreed to collect this data; it will also add a column to its margin analysis that indicates the number of providers reporting.

Mental Health TAG

The report of the MH TAG meeting on March 20, 2012 was presented and discussed. A major preoccupation of the MH TAG (and, in fact, the CSRRC for a number of years) is the problem of consistent and meaningful data collection, which compromises the validity of annual and trend analysis. Problems include failure to report survey data annually, failure to follow survey instructions, inconsistency in reporting format and data definitions across providers; it should be noted that the regulations do not require “audited” financial statements (MHA should consider amending the regulation accordingly). Improved methodology starting with FY 2011 will prevent comparability of annual data with that of preceding years. Hilltop agreed to make a list of the agencies that submitted substandard financial statements to the MHA or that have provided illogical data. MHA will contact these providers to obtain better information.

Regarding the categorization of providers, the MH TAG recommended eliminating multi-state providers and including only Maryland-based providers that have 75 percent of their business composed of behavioral health and/or developmental disability services. There was some concern that removing multi-state providers may skew the data, so commissioners deferred a decision on this pending reconsideration by the MH TAG. Commissioners did agree to separate single-service providers from multiple-service providers. Hilltop will examine the financial statements of agencies to determine where the agency operates and what services it offers. Also, Hilltop will establish the categories of providers based on discussions by the MH TAG and in conjunction with the MHA.

Report from The Hilltop Institute

Hilltop discussed the progress of FY 2011 data collection and analysis. Hilltop has increased its staff to step up the progress on inputting DDA and MHA financial statements data and data from the wage surveys, which must be done by hand. Hilltop presented a timeline of milestones for the CSRRC final report. The Commission asked Hilltop to complete the refinement of the DDA analysis before the May 7 DD TAG meeting.

Commissioners agreed that Hilltop should focus on financial statements submitted to MHA and DDA and use Form 990s only to verify data in the case of anomalies or complete analysis if data is lacking.

Presentation of Supports Intensity Scale Implementation

Frank Kirkland, executive director of DDA, presented the Supports Intensity Scale (SIS). SIS is an assessment tool that establishes the support needs of an individual and uses these for purposes of determining services and financing. DDA is involved in an SIS pilot and an associated restructuring of how providers are compensated for services. The CSRRC will be involved in these processes.

The meeting was adjourned at 8:45 p.m.